

## Article - Public Utilities

[\[Previous\]](#)[\[Next\]](#)

§22-114.

(a) The Commission may borrow money and issue refunding bonds to refund bonds issued and outstanding by the Commission if:

(1) the county executives and county councils of Montgomery County and Prince George's County approve the plan for the issuance of refunding bonds; and

(2) the Commission determines that issuing refunding bonds will result in total savings in debt service costs, directly or through any debt restructuring.

(b) The Commission shall authorize the issuance of refunding bonds by resolution that may include:

(1) the date of the refunding bonds;

(2) the maturity dates of the refunding bonds, which may not exceed 40 years from the date of issue;

(3) the interest rates on the refunding bonds, which may not exceed 10% annually;

(4) the denominations of the refunding bonds;

(5) the form of the refunding bonds, which may be coupon or registered;

(6) registration or conversion privileges;

(7) the manner of executing the refunding bonds;

(8) the manner of payment at places in or outside of the State;

(9) terms for redemption before maturity;

(10) terms for replacement of mutilated, destroyed, stolen, or lost bonds; and

(11) any other terms, conditions, or covenants.

(c) Refunding bonds issued to refund outstanding bonds for which front foot benefit charges have been imposed shall mature on or before 1 year after the date set for the payment of the final installment of the front foot benefit charge.

(d) (1) Refunding bonds may be:

(i) exchanged for bonds being refunded;

(ii) sold at public sale; or

(iii) subject to paragraph (2) of this subsection, sold at a negotiated sale in an open meeting.

(2) Refunding bonds may be sold at a negotiated sale if the Commission determines:

(i) that a public sale would be impracticable to effectuate the purpose of the refunding bonds; and

(ii) the price, terms, and conditions are in the best interest of the Commission.

(e) (1) At least 45 days before the sale or exchange of any refunding bonds, the Commission shall deliver its plan on the issuance of the refunding bonds to the county executives and county councils of Montgomery County and Prince George's County.

(2) Except as provided in paragraph (3) of this subsection, the Commission may not sell or exchange the refunding bonds unless the plan under paragraph (1) of this subsection is approved by the county executives and county councils of Montgomery County and Prince George's County.

(3) (i) On or before 30 days after the delivery of the plan, the county executives and county councils of Montgomery County and Prince George's County shall approve or disapprove of the plan.

(ii) Failure of a county executive or county council of Montgomery County or Prince George's County to act within 30 days is deemed as approval of the plan by that county.

(4) The county executives and county councils of Montgomery County and Prince George's County may waive the time period requirements under this subsection.

(f) If an officer whose signature or facsimile signature appears on a refunding bond or coupon ceases to be an officer before the delivery of the refunding bond, the signature or facsimile is valid and sufficient as if the officer remained in office until delivery.

(g) Refunding bonds issued to refund bonds guaranteed as to payment of principal and interest by Montgomery County or Prince George's County may be guaranteed in the same manner and form as under § 22–104 of this subtitle.

(h) Refunding bonds authorized under this section are:

(1) in addition to any other bonds authorized under this subtitle; and

(2) included in computing the amount of bonds that may be issued under the 7% limitation under § 22–103 of this subtitle.

(i) Refunding bonds authorized under this section are forever exempt from taxation by the State and counties and municipalities in the State.

(j) The powers granted under this section are not subject to the provisions of any other law in conflict with the powers.

[\[Previous\]](#)[\[Next\]](#)